EX PARTE OR LATE FILED

AT&T

**Robert H. Castellano**
Director
Federal Regulation

Room 1119L2
295 North Maple Avenue
Basking Ridge, NJ 07920
908 221-2330

August 8, 1996



Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Re: Pay Telephone Reclassification and Compensation
CC Docket No. 96-128

Dear Mr. Caton:

Today, Jody Donovan-May, Patricia Patello, Bob Stanchina, and I, of AT&T met with the Common Carrier Bureau to discuss the issues in the above-cited proceeding. A copy of the material discussed at the meeting is attached. The Bureau was represented by Michael Carowitz, Rose Crellin, Glenn Reynolds, and Tom Zagorsky.

Two (2) copies of this letter along with the attachments are being submitted to the Secretary of the FCC in accordance with Section 1.1206(a)(2) of the Commission's rules.

Sincerely,

cc: Michael Carowitz
Rose Crellin
Glenn Reynolds
Tom Zagorsky

**Pay Telephone Reclassification and Compensation**
**CC Docket No. 96-128**

*Calculation of Per Call Compensation*

*The only "fair" compensation is compensation based upon efficient forward-looking costs.*

- Cost-based compensation is consistent with the analogous interconnection sections of the 1996 Act.

- Cost-based compensation is required by legal and regulatory precedent.

- Cost-based compensation is necessary because payphone-use costs are the same for each completed call placed from a payphone, regardless of the type of call, but carrier revenues for different types of calls vary widely.

*There is no "market" for per-call compensation.*

- Congress decided (in TOCSIA) that customers have a right to access all carriers from all payphones. Thus, unblocking is a legal "rule of the road" for payphones, which PSPs must take into account in placing phones.

- Contrary to PSP arguments:

  - There is no "market" in which non-presubscribed carriers can negotiate with PSPs concerning per-call compensation.

  - Carriers cannot selectively block calls from specific payphones if the PSP's per-call charges are too high.

  - In a "market-based" compensation system, carriers will often not even know which payphones have excessive charges.

- In all events, customers demand that carriers be accessible from all phones. Carriers that are only available from "some" phones would be viewed as unreliable. Thus, carriers have no realistic "market" choice of whether or not to block calls.

*There is no "market" reason to use 0+ commissions as a surrogate to establish a rate for payphone compensation on any other types of calls.*

- Carriers pay 0+ commissions because of the benefits they receive from being the presubscribed carrier at a payphone. The benefits non-presubscribed carriers receive for dial around calls are substantially less. Thus, the "market rate" for compensation on non-0+ calls cannot be presumed to be the same.

- Any "market-based" amount carriers would be willing to pay for completed toll free calls -- which substantially out number all other types of non-coin calls from payphones -- would be a small fraction of the amount they would pay for 0+ calls, because prices for toll free calls are only a small fraction of the prices for operator services calls.

*Basic per-call compensation should be the same for all calls; the additional costs related to coin services should be treated separately.*

- Payphones provide certain identical capabilities for all calls, regardless of call type. These are the only capabilities for which all carriers should pay PSPs, regardless of call type.

- Unlike providers of coin services, providers of non-coin services such as 0+, access code (including prepaid card services) and toll free calls must perform and pay for all of the rating, billing and collection functions provided by coin services. Thus, providers of non-coin services receive no benefits from a payphone's coin capabilities.

- The costs associated with coin service are substantially greater than the costs of non-coin services. If carriers wish to receive the additional capabilities needed to provide coin calls, they should pay for them separately, as they do today. Otherwise, carriers providing non-coin services would be required to subsidize carriers that provide coin services.

- Only the PSP joint costs relating to the maintenance of non-coin-related aspects of payphone use should be included in calculating per-call compensation.

*Costs of the basic payphone line should be excluded in calculating per-call compensation.*

- Non-PSP carriers already pay the LEC for the use of the payphone line through originating access charges, which will not change as a result of Section 276. (The payphone line will continue to be provided by the regulated local exchange entity.) PSPs receive the benefit of such payments through lower line charges, which should take such payments into account.

- Administrative reasons, including the need for a nationwide per-call compensation rate, also support the exclusion of basic payphone line costs.

- Other LEC charges relating to payphone lines, including the SLC and charges for blocking and screening services, should be included in the calculation of per-call compensation, because carriers receive a benefit from those functions and they do not pay the LEC directly for such usage.

*Commissions should not be included in calculating per-call compensation.*

- PSP commission payments are not affected by calls routed to non-presubscribed carriers (i.e. the entities which must pay per-call compensation) because such calls generate no incremental commission costs to the PSP.
- Including commissions in per-call compensation guarantees a continuing spiral of commission payments and higher costs for consumers.

*800 Call Tracking*

*Using statistically valid studies conducted from LEC central-office controlled payphones would provide workable and efficient surrogates for tracking toll free calls.*

- Most carriers cannot track toll free calls from payphones.
- AT&T does not have the network capability to track toll free calls from payphones.
    - AT&T knows where a toll free call originates from only for rating purposes. After calls are rated, however, all call detail information is associated with the terminating number.
    - AT&T bills nationally 2B toll free calls per month.
    - Pursuant to state regulatory mandate, AT&T implemented a tracking mechanism for Illinois to track a limited number of 800 calls from a limited number of payphones. This mechanism cannot be used on a nationwide level because of the volume of 800 payphone calls.

*ILEC Negotiation for Selection of an InterLATA Carrier*

*The interLATA carrier selection process for payphones is competitive today because ILECs are restricted from negotiating with locations owners. There is a serious risk that the incumbents (RBOCs and ICOs) will make the selection process anti-competitive if they are allowed to negotiate. Accordingly, the Commission should not grant this right prematurely.*

- Location owners' rights are paramount.
- The RBOCs cannot be given the right to negotiate with location owners in their regions at a minimum until they meet the requirements of Sections 271 and 272. The grant of such rights should not be automatic; the Commission should initiate a proceeding to weigh the public interest concerns in light of an RBOC's marketplace positioning after it meets Section 271 and 272 requirements.

- Permitting the RBOCs to negotiate with location owners enables them to effectively enter the in-region interLATA market through acquiring an economic interest and an incentive to favor IXCs they designate.

- Section 276 does not waive the requirements the BOCs must meet in order to provide in-region interLATA service.

- Section 271(a) states that neither an RBOC nor its affiliates may provide interLATA services except as provided therein. The exceptions listed in Section 271 are separately identified for in-region services, out-of-region services and incidental services (which are to be construed narrowly in order to not adversely affect competition in any telecommunications market). See Section 271(g).

- Section 271 provides an exception for previously authorized activities, but RBOC negotiations for interLATA carrier selection from their payphones has not been previously authorized. See United States v. Western Electric Company, Inc., 698 F. Supp. 348, 364-65 (D.D.C. 1988) specifically prohibiting BOCs from "rewarding" location owners for selecting a certain IXC.

- Negotiating restrictions should be extended to ICOs as well, because they possess comparable market power in their serving territories.

*ILECs have the opportunity to foreclose competition by influencing the carrier selection process for the majority of payphones* [1]

- Together, ILECs control 80% of all payphones; RBOCs control 70% of all payphones.

- Contrary to comments submitted by the RBOC Coalition and other ILEC interests:

  - Location owners have far more than a financial interest at stake when considering the presubscribed carrier. They understand their business and select the presubscribed carrier which can best serve their customers needs in terms of quality of service, service offerings and price.

  - ILECs have been operating without carrier selection rights for years and have not lost significant market share to other PSPs. ILECs still dominate the payphone

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[1] AT&T indicated in its July 1, 1996 Comments that US West had contacted AT&T regarding 0+ interLATA carrier selection for US West payphones. (p. 25-26). AT&T wishes to clarify that the contact between US West and AT&T took place informally between account teams for both companies. No formal discussions have taken place between the carriers nor has a Request for Proposal been issued.

marketplace, and the majority of their locations are under long term contracts, typically 3-5 years.

- Claims that ILECs' inability to participate in the carrier selection process has precluded them from participating in competitive situations where the customer desires "one-stop-shopping" are baseless.

  - There is little market evidence that location owners demand one-stop shopping.

  - LECs and IXCs typically respond to such requests by bidding as prime and subcontractors; e.g.,

    Army and Air Force Exchange Services
    City of Chicago Department of Aviation
    Houston Department of Aviation
    Dairymart
    Kansas City International Airport
    Los Angeles International Airport
    NEXCOM
    United Airlines

- The record contains clear examples of ILEC abuse:

  - Citizens Telephone
  - United (Sprint)
  - ARVC
  - KOA

- Examples of RBOC marketplace abuse and control as the dominant payphone provider have also begun to surface:

  - BellSouth/Federal Bureau of Prisons

*PSP Involvement in the Selection of an IntraLATA Carrier*

- All parties generally agree concerning the removal of intrastate restrictions which reserve the handling of 0+ intraLATA traffic from payphones for the LEC.

- In order to extend the benefits of competition to all segments of the payphone marketplace, ILEC payphones must be included in the intraLATA presubscription process.

The Commission must make clear that the ultimate decision making authority resides with the location provider.

*Access to ILEC Payphone Services*

*ILECs which offer payphone services to their affiliates should offer the same services to all PSPs.*

- The ILECs should make available the following access services:

  Coin Line
  Semi-public Service (variation of coin line service)
  COCOT Line
  Coinless COCOT Line

- The ILECs should make available the following specific functions where appropriate for the class of service described above:

  Access to all central office intelligence required to perform answer supervision, collect refund, disconnect
  Far end disconnect
  Line screening
  Call blocking
  Call timing
  Provision 911 service
  Option of flat versus measured service
  One bill per line
  Point of demarcation at the set location

AT&T
August 8, 1996

[illegible] Camino Ramon, Room [illegible]
San Ramon, California [illegible]

PACIFIC BELL
A Pacific Telesis Company

Invitation to Participate in the RFP Process

July 19, 1996

TO ALL INTERESTED VENDORS:
RE: RFI #N96-GEN-0050

Pacific Bell ("Pacific") is preparing a Request for Proposal ("RFP") to offer a "complete" payphone contract that includes all interLATA and intraLATA payphone service.

The anticipated release date for the RFP is September 2, 1996. If you do not receive your RFP package by September 6, 1996, please call Mary Mongalo at (510) 823-0956. The anticipated due date for the submission of the proposal is September 24, 1996.

Prior to and as consideration for receiving the RFP, each prospective supplier must agree to the following conditions:

1. An IEC must agree to and be willing and able to meet the requirements specified in Attachment 1, Request for Information for Pacific Bell Payphone InterLATA, dated July 17, 1996 and respond in writing by August 12, 1996.

2. You should provide all requested information in the sequence indicated in the section entitled "Specifications and Conditions". Please identify each response using the heading and numbering sequence to which it corresponds.
When a specification or condition requests a description of availability, please indicate if you can currently comply, and/or a proposed date when the specification or condition would be met.

3. Should you find that Pacific could provide you with additional information that would facilitate your response to this RFI, please submit your request in writing and Fax it to Mary Mongalo at 510-275-1795. Pacific does not guarantee delivery of requested information.

4. Please be advised that Pacific shall not be responsible or liable in any manner for any risks, costs or expenses incurred by you in connection with the RFP or any quotation submitted by you and that the RFP in no way obligates Pacific to enter into a business arrangement with you. Pacific will not be liable or financially responsible for any obligations you incur unless and until such time as a contract for the products/services which are the subject of the RFP, is executed between both parties and a written order for such products/services is issued to you by Pacific.

If you are interested in participating and agreeable to the foregoing, you should so indicate by having your duly authorized representative sign this letter in the space provided, sign the enclosed Non-Disclosure form and return BOTH along with 3 (three) copies of your response, to Mary Mongalo, Contract Manager, at the address noted above. **Your response and signed forms must be received no later than August 12, 1996 at 4:00 p.m.**

I can be reached on (510) 823-0956 if you have any questions.

Cordially,

Mary Mongalo

Mary Mongalo
Contract Manager

AGREED AND ACCEPTED:

«____________________________»
Company name

By:________________________

Title:________________________

Date Signed:__________________

Telephone number:___________

Fax Number:________________

# REQUEST FOR INFORMATION

For Pacific Bell Payphone InterLATA

July 17, 1996

## A. RFI Concept Description

1. Concept Overview
2. Background Description
3. Product Description
4. Specifications and Conditions
5. Solicitation of Responses

## B. CONCEPT DESCRIPTION

### 1. CONCEPT OVERVIEW

Subject to the provisions of the Telecommunications Act of 1996 and receipt of all necessary regulatory approvals, Pacific Bell intends to offer the premises owners/site agents a "complete" payphone contract that includes all interLATA and intraLATA payphone services. Pacific Bell intends to contract with Interexchange Carriers (IXCs) and International Carriers (INCs) so that Pacific Bell can offer "one stop" shopping to location owners, and location owners will not have to negotiate separate contracts with InterLATA and IntraLATA providers when using Pacific Bell payphone services.

### 2. BACKGROUND

RBOCs were prohibited by the Modification of Final Judgment (MFJ) from providing Interexchange service or from choosing an Interexchange carrier to serve their payphones. Payphones are currently pre-subscribed to interexchange carriers chosen by the location owner to carry interLATA traffic. In order for a location owner to share in a portion of the InterLATA revenues generated by the payphone, the location owner is required to negotiate it's own deal with an Operator Services Provider (OSP) or IXC. A separate contract with the IXC provides the location owner with the opportunity to share in the InterLATA revenues. The Telecommunications Act of 1996 directs the Federal Communications (FCC) Commission to promulgate new rules governing the pay telephone industry, one of which will give RBOCs the right, subject to the terms of any agreement with the location owner, to select and contract with the carriers that carry interLATA calls from RBOC payphones, unless the FCC determines that it is not in the public interest.

### 3. PRODUCT DESCRIPTION

Upon receipt of FCC approval and subject to the terms of its contracts with location owners, Pacific Bell will re-sell 1+ long distance service by contracting for 0+ traffic with IXCs/OSPs that pay commissions on coin sent paid (1+) and 0+ traffic. Pacific will offer interLATA service as part of the full service contract. Pacific intends to offer the location owner a commission on coin sent paid and 0+ traffic originating from Pacific Bell pay telephones. Pacific Bell will earn commissions by pre-subscribing certain Pacific Bell payphones to interLATA carriers which Pacific has contracted. The contracted interLATA carriers will pay Pacific Bell commissions at the contracted rate or rates for all interLATA calls that originate from the Pacific Bell public pay phones.

## 4. SPECIFICATIONS AND CONDITIONS

An IXC/INC must agree to and be willing and able to meet the following requirements to participate in this offering please respond affirmatively to each specification and state any qualifying information or exception:

4.1. Guarantee end user pricing to support consumer safeguards.

4.2. Sign a contract with Pacific Bell committing to participate in this offering. Pacific Bell desires to have the first such contact completed no later than November 09, 1996.

4.3. Begin paying commissions to Pacific Bell immediately upon Pacific Bells completion of a contract with the location owner and presubscription of 0+ traffic.

4.4. Provide the capability to handle calls that terminate anywhere in the world. Please describe availability.

4.5. Alternately billed 0+ calls.

4.4.1 Accept, honor, and validate all other alternately billed calls including RBOC joint use cards with a validation query that is launched to Pacific's LIDB for each call. Describe availability, for example, where do you not terminate? Please describe any exceptions used for processing calling cards.

4.6. Fully featured Operator Services

4.6.1 Operator Assistance:

- 0+ and 00- call handling for interLATA calls.
- Station collect.
- Person collect.
- Calling card.
- Billed to a third telephone number.

- Properly validate and complete collect, person collect, and billed to third number calls.

4.6. Fully featured Operator Services (continued)

4.6.1 Operator Assistance:

- International calls: country code, city code and telephone line number.
- Domestic calls: complete 10-digit telephone line number.
- Screening of call types (for example, IEC is required to obtain information for ANI 07 screening.)
- Ability to provide live and fully automated operator assistance with escape to operator.
- The capability to recognize spoken word (yes/no) and Dual Tone Multi-Frequency (DTMF) signaling.
- Multiple language capability. (Spanish as a minimum)

4.6.2. Provide surcharge/access charge for collect calls.

4.6.3. Quote rates upon customer request.

4.6.4. Emergency call handling.

4.6.5. Prepaid overtime in one or two minute increments. (see additional requirements in 1+ coin section.)

4.6.6. Customer care service, business office support.

4.6.7. Access to repair service dialing a 10 digit number.

4.6.8. Provide the calling and called number information with the validation query that is launched to Pacific's LIDB.

4.7. Fraud Control. The IEC must have fraud control capabilities equal to or exceeding the performance of Pacific Bell's SLEUTH. Please provide a full description of your fraud control system. Include the necessary data required for fraud control. IEC must be willing to share in the responsibility of fraud. Include the frequency of use during specific time periods. Include availability.

4.7.1. Screen for incoming calls to Pay Phones. (ANI 07 digits)

4.7.2. Restrict direct dial calls from pay phones to 900/976 providers.

4.7.3. Restrict alternate billing to 900/976 numbers as calling card only.

4.8. Inmate market:
4.8.1. Collect Calls
4.8.2. Operator assisted and automated operator for collect calls with multiple language capability. (Spanish minimum)
4.8.3. Selective escape from automated system to live operator from calling and called number.
4.8.4. Block all service codes (911, 611, 900/976, 800, etc.)
4.8.5. Screening of calls for:
- Witness protection (restrict calls to certain numbers)
- Block calls to certain numbers with alarm notification

4.8.6. Curfew timing. (restrict calls based on customer specific time of day)
4.8.7. Call duration control.

4.9. Future Inmate service unless already available, please describe availability or product timelines:
4.9.1. Provide direct managed access to public defenders office.
4.9.2. Speed dialing to selected numbers i.e., public defenders office.
4.9.3. Secure debit card for phone and commissary use.
4.9.4. Multiple language capability beyond Spanish.
4.9.5. Voice Messaging.
4.9.6. Outbound number specific call blocking.
4.9.7 Tracking frequently dialed number tracking.

4.10. Guarantee service availability for the life of the contract.

4.11. Future services for calling card:
Pacific Bell is interested in having a wide variety of calling card features available to our end users. Please identify which of the following services

you provide today. Pacific would be interested in any future-features, please include your timelines. Describe availability information.

4.11.1 Multiple language prompts: user specified (Spanish at a minimum)
4.11.2. "PIN only" entry when calling line number listed calling card.
4.11.3. Speaker independent recognition of calling card number (10 digits).
4.11.4. Speaker independent recognition of calling card number (10 digits).
4.11.5. Voice Activated dialing (1 to 100 telephone numbers).
4.11.6. PIN Speed dialing (1 to 100 telephone numbers).
4.11.7. Voice Message delivery.
4.11.8. Customer selected calling restrictions for specific numbers.
4.11.9. Customer selected calling restrictions such as specific numbers, prefixes, NPAs, LATAs and domestic only.
4.11.10. Three way conferencing.
4.11.11. Broadcast messages.
4.11.12. Accept commercial credit cards for billing and provide credit card balance on demand (amount of calling charged to the card).
4.11.13. Multiple PINs for single calling card.
4.11.14. Customer selected spending limits.
4.11.15. Sequential calling for calling card calls with the ability compensate separately for each call.

4.12. Provide network diagram of your 800/888 access system. Show links for voice trunking, indicating type (e.g., T1) and signaling used (e.g., SS7, MF, FG-D, ISDN, PRI.)

4.13. Provide step by step call flows for a 1+, and 0+ InterLATA call.

4.14.. Provide a system diagram showing major system components and links affecting reliability.

4.15. Provide billing format to end user.

4.16. Directory Assistance:
4.16.1. NPA 555-1212 dialing format to access to Directory Assistance.

4.16.2. Directory Call Completion (end user connection to requested directory listing.)

4.17. Trouble reporting, with customer capability to dial a 10 digit number to report trouble.

4.18. Provide remittance to Pacific Bell on tape with details of call type placed by phone account in tape format.

4.19. 1+ Coin responsibility, the IEC is required to support 1+ coin through one of the three available options:

4.19.1. 0+ Coin Carrier can handle 1+ traffic.

4.19.2. 0+ Coin Carrier can contract the 1+ traffic to another carrier.

4.19.3. If the 0+ Coin Carrier elects not to handle the 1+ Coin traffic, the traffic will be routed to a participating 1+ coin carrier coincident with contract date.

4.20. Bill on a pre-paid basis (to eliminate walk-a-way/uncollectables) for coin sent paid traffic in any combination of the following increments:

4.20.1. Three minutes for the initial period, and one or two minutes for subsequent periods.

4.20.2. Two minutes for the initial period, and two minutes for the subsequent period.

4.20.3. Two minutes for the initial period, with one minute increments for subsequent period.

4.21. 1+ Access for Coin Sent-Paid traffic.
Requires that the network pass and receive the necessary signaling information to and from equal access end offices through the tandems, and then on to the Interexchange carriers. Such signaling information includes operator signals for coin functions, including coin collect, coin return and ring back, as well as signals that identify the calling number (Automatic Number Identification, or ANI) and called number.

4.22. Access Charges Access charges will be at tariffed FGD rates and will be billed to the Carrier transporting the 1+ Coin traffic. Carrier Ordering and provisioning.

4.23. Revenues collected at public telephones as described in Pacific Bell's 1+ coin equal access product must be allocated between Pacific Bell and the PICd carrier for intraLATA and interLATA calls. The settlement process, which includes a loss factor, will require contractual arrangements between Pacific Bell and participating Carriers. PICd carrier must remit billing in a EMI type format.

4.23.1 IEC will sign a Settlements and Requirements Contract with Pacific for settlement of revenues collected.
4.23.2. IECs will agree to a loss factor to be applied to all revenues generated from their 1+ handled calls. The factor will be adjusted quarterly.
4.23.3. IEC will provide 1+ coin service to end-users in compliance with all applicable State and Federal laws and/or regulations.

4.24. Coin Refund.

4.25. Provide a list of end users alternately billed calls from Pacific Bell Payphones.

4.26. Permit Pacific Bell to act as billing agent for calls from Pacific Bell Pay Phones.

4.27. Share in the expense of developing joint signage by pay phone account.

4.27.1. Co-brand dial instruction card on Pacific Bell payphone.

4.28. Bulk bill Pacific Bell at wholesale rates in six second increments, or pay commissions per call type.

4.29. Provide time of day rating and holiday discount schedule.

4.30. Provide rating flexibility.

4.31. Provide access to emergency services.

4.32. Describe the reliability of your network. Include appropriate measures and measurements.

4.33. Guaranteed protection of customer information generated from Pacific Bell payphones.

## 5. SOLICITATION OF RESPONSES

By this notice, Pacific is soliciting indications of interest from IECs who desire to participate in Pacific Bells pending RFP. The RFP is scheduled for distribution pending final rules from the Payphone Amendment from the Telecommunications ACT of 1996. Participation in the RFP process is an indication of interest will not be viewed as a binding commitment of the part of the IEC/IXC. However, an IEC/IXC should not respond unless it is able and willing to comply substantially with the specifications and conditions listed herein and intends in good faith to pursue this opportunity further with Pacific Bell on that basis, in the time frames indicated. Pacific will work with respondents that meet the initial response date first, then work with subsequent respondents as resources are available.

U.S. Department of Justice

Federal Bureau of Prisons

Washington, DC 20534

May 2, 1996

Ms. Susan Stark
Bell South
16004 Highway 366 Northwest
Morriston, Florida 32668

Dear Ms. Stark:

It has come to my attention that certain Federal Bureau of Prisons' (FBOP) facilities have been contacted by representatives of Bell South and Public Communications Service (PCS) regarding inmate calling services. These facilities refused to enter into an agreement with PCS for telephone services. Having been previously instructed by the FBOP Central Office to refrain from signing any agreements or contracts to change the existing telephone service, I am told by my institution staff that representations were made by Bell South and PCS that I personally endorsed this change of service. After the previously mentioned contacts had been made, several of our FBOP facilities received a notice from PCS that their collect service was being automated and their carrier was being changed to SGS automated service.

When I was informed of this service change by several concerned institutions, I contacted you and Paul Jennings of PCS to inquire as to why our carrier had been switched. I was informed that PCS had been subcontracted by Bell South to provide the inmate services to our facilities due to the refusal of the FBOP to sign individual long term contracts with Bell South. I was also informed that PCS presented Bell South with a Letter of Agency Authorization signed by Mr. Melton Dowse of PCS, allowing PCS to become the new Customer of Record for our inmate services. While I do not understand how it was possible for PCS to sign the FBOP's Letter of Agency without authorization, this made it possible for PCS to become the Customer of Record, apparently allowing it to choose the long distance carrier and take that authority from the FBOP.

Due to the sensitive nature of telephone services for FBOP inmates, I feel it is necessary for me to memorialize the conversations I have had with you and/or Paul Jennings over the past few weeks regarding this change of service. I unequivocally state that:

1. The BOP did not request any changes to the existing services at any of our institutions.

2. The FBOP does not want a change to any of the previously existing services.

3. The FBOP did not authorize the changes in service which took place.

4. The FBOP was not informed of any alternatives to this unilateral decision made by Bell South and PCS.

5. I personally have never authorized PCS or Bell South to relinquish the FBOP's rights as to Customer of Record.

6. I personally have never authorized PCS or Bell South to change any FBOP existing carrier.

7. These changes in service cause the FBOP an immediate concern with regard to institution security and safety.

8. I have requested that the FBOP's original long distance service provider be reinstated.

9. I have requested that the FBOP be restored as Bell South's Customer of Record.

I have made the above statements either to you or Paul Jennings of PCS, during our previous two weeks of conversations related to these issues. This letter is to confirm in writing, the oral notice given to Bell South and PCS that neither Bell South nor PCS have been authorized to change carriers at any Federal Bureau of Prisons' facility with the exception of returning the original carrier service to those facilities which were changed without authorization.

Sincerely,

David C. Woody, Chief,
Trust Fund ITS Section